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A/C/S&T file
Adm-13.7

20 SEP 1972

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MEMORANDUM FOR: Inspector General

SUBJECT: Evaluation and Productivity

REFERENCE: Memorandum to Inspector General from Executive Director-Comptroller, same subject, 12 June 1972 (ER 72-941/3)

1. In the meeting chaired by you on 12 July, you requested a report from this Directorate based upon the outline contained in the referenced memorandum. As you know, the DD/S&T has activities in five of the six Agency categories (Collection, Production, IP&E, Communications, and Program Wide). As a result, there is a wide range of professions represented and in the tasks accomplished in our offices. A common set of evaluation criteria therefore is infeasible in all but the most basic areas of measurement. This being the case, we have included, as an attachment to this memorandum, the respective reports submitted by the seven DD/S&T offices. Some of the items contained therein are also repeated in this report.

2. The DD/S&T Staff, in its management role is constantly evaluating the productivity and performance of the Directorate. Most of this proceeds in a day-to-day manner through liaison with the seven offices. In organizing this report we have adhered to the outline put forth in paragraph 2 of the referenced memorandum. The evaluation process in DD/S&T is carried out as follows:

a. Inventory of Current Evaluation Systems:

(1) Quarterly Review and Forecast (QR&F) meetings. Prior to commencing each fiscal quarter, each Office Director reports the past quarter expenditures and progress to Mr. Duckett and discusses the plans for the forthcoming quarter.

(2) Contract Information System (CIS). All Agency funded contracts, other than supplies and direct personnel services, proposed by S&T offices are entered into a computerized file.

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WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

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Information includes the FAN number, contractor, Project Officer, proposed amount, schedule for completion, and coordination with other offices and/or agencies. Offices from other DDs (TSD, NPIC, O/C) which accomplish R&D work also enter the appropriate data in the CIS.

(3) Contract Deviation Meetings. Once each month the EO/DD/S&T meets with representatives of ORD and OEL to discuss the deviations in progress from that programmed by R&D contractors. Measures being taken to bring the contracts back on schedule are outlined.

(4) The Technical Coordinating Committee with its subordinate panels is chaired by the A/DD/S&T with representation from each Agency office doing R&D work. The DD/S&T uses this Committee to foster technical exchange, coordinate programs and surface gaps, redundancies, and other special problems. Under the aegis of this Committee are fourteen specialized panels. These evaluate the R&D effort in their particular area of expertise and recommend the most effective manner of allocation of Agency resources.

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(5) The Science and Technology Panel. This Committee, headed by [REDACTED] is comprised of high officials in government, industry, and the academic community. They meet approximately six times each year to evaluate ongoing programs and also perplexing scientific and technological problems. They advise the Deputy Director on their findings and in many cases their recommendations have proved invaluable.

(6) The Strategic Intelligence Panel. This Committee was established in 1968 with the purpose of advising the DCI on Soviet and Chinese objectives in strategic technological areas with consideration to such relevant factors as technical capabilities, economic constraints, and political aspects and implications. The Board is chaired by [REDACTED]

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[REDACTED] The members are men of esteem from the military, government, industry, and the academic community. In FY 1972 there were two sessions, each lasting two days.

(7) Program and Budget Hearings. In the preparation of the Annual Program and the Budget, hearings are conducted by the DD/S&T with each of the S&T offices. This gives the Deputy Director an invaluable overview in evaluating the requests of Office Directors in relation to each other. His decisions are then sent forward to O/PPB. Subsequently, hearings may be and often are requested

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by O/PPB on each of these documents. This provides an evaluation and adjustment of the requests prior to presenting our Program and Budget to the Executive Director-Comptroller and ultimately the DCI. Finally, the OMB evaluates our budgetary requests in a series of hearings held in the fall of each year.

(8) Monthly Budget Briefings. The Comptroller and Budget Officer, DD/S&T, conduct a monthly briefing for the DD, ADD, and EO to apprise them of the status of S&T funding, personnel levels, etc. This permits the DD and his staff to control the manner in which S&T resources are being employed on a current basis.

(9) Personnel Evaluation System. The Directorate has established a system of office panels and a Directorate Board for the periodic review of all personnel in the "R" Career Service. The Office Panels are primarily responsible for identifying individuals in grade range up to GS-15 for promotion, training and development, and those who might require remedial administrative action. The Board has the responsibility for any action affecting an employee in the GS-15 level and above including training, rotational assignments, interdirectorate details, etc. The Board semiannually reviews and ranks all officers in the above grade range.

b. Utilization of Evaluation Systems in Program, Personnel and Other Decision-Making:

(1) The DD/S&T uses the Quarterly Review and Forecast meetings as a sounding board for office problems and a forum for discussing their near future plans. Decisions are made on contractual actions, on personnel requirements and on the thrust of major programs.

(2) The Contract Information System is utilized in all aspects of contractual planning. A printout of current items from the file is used in the QR&F. The CIS then furnishes a guidance listing for the accomplishment of contractual actions. It affords statistical data on trends, deviations, levels of expenditure, etc. useful to management in exercising control.

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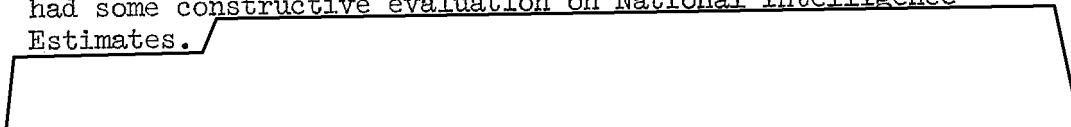
(3) Information for the Contract Deviation meetings is furnished by the CIS. The meeting furnishes a control mechanism whereby the EO/DD/S&T seeks to hold R&D contractors to the schedule that has been established for their contract. The meetings may weigh on decision making in that a contractor with a bad performance record on one contract may be downgraded in the selection process for future proposals.

(4) The Technical Coordinating Committee (TCC) has only been in existence for a few months but it has already become a major management asset. The specialized panels of the TCC are comprised of experts in a specific technological discipline. Their recommendations, passed up to the TCC and the DD/S&T can aid in the most productive utilization of resources and in avoidance of redundancy.



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(6) In recent meetings the Strategic Intelligence Panel had some constructive evaluation on National Intelligence Estimates.



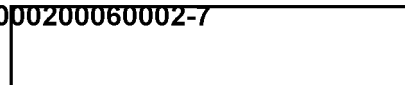
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(7) Program and Budget Hearings and the Budget Briefings are essential to the procurement of resources and proper utilization of funds and manpower. The monthly Budget Briefings give the Deputy Director an insight to the flow of necessary resources and provide him a current evaluation between the QR&F meetings. The Program Hearings with the Office Directors are a prelude to future operations and must yield decisions. The Budget, occurring in stages (Estimates, Revisions, Congressional Budget and Operating Budget), must be subjected to evaluation at many levels. The initial Estimates are subject to only a minor amount of scrutiny because of the flow from the Program. The Revised Budget results from O/PPB and OMB evaluation and reclama and/or adjustment within DD/S&T.

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(8) In the Personnel Evaluation System the Panel and Board are used as the recommending authority to the Office Directors and the DD/S&T on all phases of personnel recommendations. This includes internal and external training, inter and intra directorate rotational development assignments, promotions and any adverse action effecting an employee.

c. Interrelationships and Comparability of Evaluation Systems:

(1) All of the evaluation procedures dealing with contractual actions (QR&F, CIS, Contract Deviation meetings) utilize the CIS. In addition, the TCC and its panels use CIS listings in their work. The Contract Deviation Meetings are directly dependent upon the CIS file and are a logical follow-on to CIS exception reports.

(2) The Program, the Budget and the hearings based upon these documents are all very closely related but there is a flow from one to the next, rather than a redundancy. The Budget Briefings are closely related to the QR&F and the Budget but they fill a need for an interim updating between QR&F meetings and Budget cycles.

(3) The efforts of the Science and Technology Panel and the Strategic Intelligence Panel are an augmentation of S&T staff and board actions. The former works in areas closely aligned to those pursued by the Technical Coordinating Committee and in the QR&F meetings for R&D offices (ORD and OEL). The Strategic Intelligence Panel works in conjunction with OSI and FMSAC. Their meetings are less frequent than the S&T Panel, consequently the results have been less impressive.

(4) The Personnel Evaluation System depends upon Budgetary figures for basic manpower authorizations but has no other relationship or comparability.

(5) All of the DD/S&T procedures have a direct relationship to some or all of the subordinate offices.

d. Critique of Current Evaluation Systems:

All S&T procedures are evolutionary and dynamic. Some, such as the Budget System are as old as the Directorate. Others such as the TCC are in their infancy. All of them are useful and effective; were they not, they would have been dropped or altered.

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e. Recommendations:

(1) Closer coordination and exchange of ideas among the four Directorates, O/PFB, IG, etc. should be beneficial. One possibility would be a synopsis of the reports received in answer to this requirement, edited for distribution to all Agency organizations.

(2) Wider usage of the CIS System could be beneficial to all offices. It provides a common language in reference to contractual actions and can be employed for Other Government Agency funds as well as CIA funded actions. Currently a feasibility study is being conducted with the objective of increasing the flexibility and sophistication of the CIS. If successful, these revisions should provide the potential for service to a wider range of customers.

(3) Possibly the most pressing (albeit difficult) requirement in evaluation, at least in this Directorate, is for an effective system of "post mortems" at every level of programming. Evaluation of this type is currently accomplished but on an informal, uncodified basis. In all probability, there is no single manner of solving this problem; it will probably require a fairly extensive set of criteria tailored to the needs of each office. There is also the danger of loading the operating level with so many evaluation procedures as to hamper their effectiveness. The problem is extremely difficult but worthy of added study.

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Donald H. Steininger
Assistant Deputy Director
for
Science and Technology

Attachments:
As Stated

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